

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - October 23, 2006

United States Attorney Carol C. Lam announced that Roland C. Colton, a Laguna Niguel attorney formerly of Del Mar, was arraigned today in federal court in San Diego before United States Magistrate Judge Cathy Bencivengo on seven counts of bankruptcy fraud. The indictment alleges the fraudulent and willful concealment by Colton of real property, personal assets, and bank accounts in the United States and France, valued in excess of \$1.5 million, from creditors, the bankruptcy trustee and the bankruptcy court. A federal grand jury sitting in San Diego handed up the indictment on October 17, 2006.

According to Assistant U.S. Attorney George C. Aguilar, who is prosecuting the case, the indictment alleges that Colton failed to disclose and concealed his interest in a chateau and other real and personal property in France and the United States, and in numerous bank accounts in the year preceding the filing of Colton's bankruptcy and during its pendency. He is also charged with falsely testifying in bankruptcy proceedings about his ownership and control of numerous bank accounts, the payment of foreign taxes to maintain his property holdings in France, and his contribution toward the down payment for the purchase of a home in the name of his wife, Dr. Nahid Birjandi.

Colton sought bankruptcy relief in October 2001 by filing a voluntary petition, schedules and a statement of financial affairs which listed \$15,540 in assets and \$2,748,000 in liabilities. The bankruptcy case was eventually terminated in 2005, but without Colton having fully disclosed his assets in France and the United States.

United States Attorney Lam said, "Bankruptcy fraud has real victims. Our bankruptcy laws rely on the truthful disclosure of assets by the debtor. Anything less is a fraud on the creditors."

Steven Katzman, the United States Trustee for Region 15, which includes San Diego, stated that, "the United States Trustee Program's mission is to preserve and protect the integrity of the bankruptcy system. Concealing assets and making false statements in bankruptcy cases are serious crimes. The indictment in this case demonstrates that such conduct, as well as other crimes committed in connection with a bankruptcy case, will be aggressively pursued."

FBI Special Agent in Charge Daniel R. Dzwilewski stated, "The FBI will continue to protect the integrity of the bankruptcy laws and ensure they assist debtors who need a fresh start through the repayment of creditors to the extent the debtor has the means available for repayment. Those who fail to provide truthful information to the bankruptcy system and who attempt to subvert the bankruptcy laws through the concealment of assets that could be used to repay creditors, will face the consequences."

Magistrate Judge Bencivengo set bond at \$50,000 and ordered Colton to appear in United States District Court on October 30, 2006, before United States District Judge Thomas J. Whelan for further proceedings.

DEFENDANT

Case Number: 06 CR 2252-W

Roland C. Colton

SUMMARY OF CHARGES

Counts: Seven

Concealment of Assets in Bankruptcy, in violation of Title 18, United States Code, Section § 152(1)
Maximum penalty is five years in prison and fine not to exceed \$250,000

False Oath in Bankruptcy, in violation of Title 18, United States Code, Section 152(2)
Maximum penalty is five years in prison and fine not to exceed \$250,000

False Statements in Bankruptcy Filings, in violation of Title 18, United States Code, Section 152(3)
Maximum penalty is five years in prison and fine not to exceed \$250,000

AGENCY

Federal Bureau of Investigation

An indictment is not evidence that the defendant committed the crimes charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.